



249 S. Highway 101, P. O. Box 564, Solana Beach, CA 92075 sandiegoenergydistrict.org

February 15, 2018

Christopher Devin  
CAISO TAC Initiative Manager  
California Independent System Operator  
250 Outcropping Way  
Folsom, CA 95630

**RE: CAISO TAC Initiative Straw Proposal**

Dear Mr. Devin,

I write on behalf of the [San Diego Energy District \(SDED\)](#), a 501-c3 membership organization serving the San Diego region as public educator and “think tank” for the region's emerging clean energy economy. We write to voice our opposition to the “TAC Initiative Straw Proposal”, which we see as an incomplete and unsatisfactory attempt to address an issue of pricing inaccuracy and fundamental unfairness to the local clean energy resources we support.

SDED weighed in on this issue in June 2016, filing at that time an extensive response to CAISO's “Stakeholder Comment Template” on the “Wholesale Billing Determinant”. At that time, we stated our support for the “Transmission Energy Downflow” (TED) mechanism proposed by the Clean Coalition to address this imbalance and inequity in the assessment of transmission charges to local distributed energy resources (DERs). It is still our opinion that the current mechanism is flawed and needs to be replaced. We are chagrined that nearly two years later it is necessary to make the same points again.

**We strongly urge CAISO to fix the manner in which transmission access charges are assessed on local DERs.** The current methodology utilizes a point of measurement for transmission charges that inaccurately assesses charges on DERs that do not access the transmission system. Local DERs are therefore assessed charges for infrastructure they do not use. These fees unfairly burden new local DERs, serving as a drag on the growth of local decentralized generation.

The Clean Coalition and supporters have spent two years advocating for a different solution. The measurement point for TAC charges needs to be moved – TAC should be assessed at the point of interface between the transmission and distribution systems. In this way, such charges will be accurately assessed to those entities that *do* utilize transmission infrastructure. Such a change will also encourage load serving entities such as Community Choice Aggregators (CCAs) to further develop local DERs, increasing local investment in communities, building resilience and community wealth.



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The current CAISO Straw Proposal fails to meet this test. It continues to assess costs for infrastructure unused by local DERs. We strongly support the proposals of the Clean Coalition and urge that CAISO act to change the point of measurement for these charges to one that accurately reflects transmission system usage.

Thank you for this opportunity to comment.

Sincerely,

A handwritten signature in black ink, appearing to read 'Erika Morgan'.

Erika Morgan, Executive Director  
San Diego Energy District

cc:

Lane Sharman, San Diego Energy District  
David Sean Dufek, San Diego Energy District  
Matt Renner, Clean Coalition  
Ryan O'Connor, San Diego 350.org  
Tyson Siegle, San Diego 350.org  
Eric Veium, CA Alliance for Community Energy  
Al Weinrub, California Alliance for Community Energy  
Sebastian Sarria, San Diego Community Choice Alliance